



WEDDING INSURANCE - ACCEPTABILITY AND PROMOTIONAL STRATEGIES

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ABSTRACT

In India, marriage is an important occasion and huge sums are spent for the pre-marriage and post-marriage rituals. Life-long savings are spent on the marriage ceremony. Average Indian saves and spends majority of his earnings on two things – owning a house and performing the marriage of his daughter(s). The former is optional but the latter is mandatory. The average middle-class Indian parents hoard their life-long savings to get their girl-children married-off without any hitch. Performance of marriages has been gradually transforming into a celebration with new customs, avenues and practices creeping in. This includes extension of celebrations to longer periods, destination weddings, providing live coverage of entire marriage ceremony etc. among other things.

Any untoward incident resulting in cancellation of the event causes heavy financial damages to the performers. Insurance companies are offering wedding insurance scheme to hedge the public against such damages. Though the scheme carries many benefits, the response towards it is lukewarm. The present study is focused to analyze the reasons for the non-popularization of the scheme and suggests measures needed to make the wedding insurance scheme popular.

KEYWORDS: Wedding, wedding insurance, wedding insurance policy, claims, coverage.

“Marriages are made in Heaven”- the axiom says. But the reality says “marriage expenditure is incurred on earth”. The marriage system started as a part of human civilisation. The marriage system and the way it is celebrated have undergone several changes in consonance with the demographical, political and economic volatilities. The marriage system, probably, would have been introduced in a bid to bring in a moral discipline among the people. The system of celebrating marriages in the presence of relatives, friends, known people etc. amidst loud music must have evolved to cater to the public interested and un-interested that the particular girl is getting married to a particular boy. This could probably be to protect the girl from the roving and preying eyes of the anti-social elements when the legal protections and security systems were not as strong as they are today. Post-marriage, the Indian Hindu girl is mandated to sport marriage proofs like mangalsutra, sindoor etc. in such a visible way to display her marital status.

Times have changed drastically since then. Laws have been framed and protection systems have been put in place to support the fairer-sex and also to regulate gender discrimination. However, the performance of marriages on a pompous and grandeur scale continues to prevail.

Average Indian saves and spends majority of his earnings on two things – owning a house and performing the marriage of his daughter(s). The former is optional but the latter is mandatory. The average middle-class Indian parents hoard their life-long savings to get their girl-children married-off without any hitch. Performance of marriages has been gradually transforming into a celebration with new customs, avenues and practices creeping in. This includes extension of celebrations to longer periods, destination weddings, providing live coverage of entire marriage ceremony etc. among other things.

Though several changes have taken place in the marriage customs and procedures, the only thing remained and ever-increasing is the money spent on the occasion. If the marriage gets cancelled due to any faux pas or any unforeseen development, the entire money invested in the celebration and conduct of marriage goes to drain. It will be near impossible for middle-class parents to recover and regain from the colossal monetary loss.

Considering the huge money spent and to hedge the parents of grooms against unforeseen future risk, the idea of insuring wedding expenditure has sprouted and many insurance companies are now offering the scheme. The non-life insurance corporations in India have started offering wedding insurance to cover this risk.

Review of literature

Mehr and Cammack (1976) agrees that Insurance is usually thought of as product that spreads the risk of serious, but low-probability, losses among group of individuals, thus providing some financial protection to each individual. Kunreuther, (1979) said that his product makes good sense, particularly when the protection is purchased against potential losses so large as to be catastrophic, such as total destruction of one's home, a large accident liability judgment, or death of primary family bread winner. However, it has long been recognized that this sensible product is difficult to sell. Kotler, (1973) considers insurance to being the category of unsought goods, “along with products such as preventive dental services and burial plots. He notes that unsought goods pose special challenges to the mar-

keter.

Davis (2000) opined that weddings have forever been a significant and important celebration for many people around the world. They celebrate the binding love between two people and the journey into a new life together. Often times, weddings are events that brides have been dreaming about and looking forward to their entire lives. Many brides would even agree that, “a wedding is the celebration of a lifetime, and whether that celebration is a grand fete for hundreds or an intimate gathering of family and friends, it is a day when dreams come true”. According to Coontz (2006) the idealistic, romantic view about weddings has not always been the way it is today. For much of human history it was rare that love was the main reason for people to get married. Until very recently, many civilizations believed in the economic functions of a marriage over personal satisfactions. Marriages were made for family and economic benefits, with the hope that the marriage would result in love later on. As a result of this traditional approach, arranged marriages were very common for many years. Otnes and Pleck (2003) felt that only in recent years did the idea of marriage for love become popular. The feeling of a dream wedding as a necessity intensifies the lavishness of weddings each year. Significantly more money is spent to create a dream wedding. According to Coontz (2005), “weddings today are the first chance a couple gets to announce to the world their chosen joint identity”. The idea of a joint identity encourages brides to utilize certain popular trends to display this identity in the most unique way possible. The study on “Wedding insurance in India” by Lisa Mary Thomson, (2005), says that irrespective of how religious or superstitious you are, you wouldn't want to see all that money going down the drain just in case something happened. And insurers know that. This is why a few insurance companies have launched the little known concept of wedding insurance in India. Karen Sandau (2014) concluded that no matter what kind of wedding you are planning, that is one of the most important days of your life, and you don't want to leave anything to chance. Purchasing a wedding insurance policy can end up saving thousands of dollars and a lot of heartache. Having a wedding insurance policy in place will give peace of mind during wedding planning process.

Coverage

Wedding insurance being an event insurance product, the policy's term starts a few days before the wedding and ends on the event's completion. The wedding insurance policy with Bajaj Allianz, for instance, starts seven days before the wedding event and ends on the midnight of the wedding day.

- Covers any irrecoverable expenses like expenses for the marriage hall, cooks, catering, purohits, pandits, beauticians, decorators, accommodation reserved for bride/bridegroom/guests, music parties, photo/videography, entertainment programs, transport, or flowers that you may have incurred due to cancellation or postponement of the wedding due to unexpected illness or extreme weather conditions etc.
- Covers any accidental losses or damages to your property at your residence or any decorations or property at the hired venue, sets etc. caused by fire and allied perils and for which you are legally responsible.
- Coverage to bride and bridegroom in case of permanent total disability, permanent partial disability, temporary total disability and death arising due to

accident.

- Coverage against loss of money from a safe and /or strong room caused by burglary or robbery from your residence address and for which bank records of withdrawal, expenses, balance records with proof, etc are available.
- Coverage against any loss of or damage to valuables like jewelry, ornaments, precious stones, metals, appliances given by blood relatives and/or in-laws for which proof in the form of bills/valuation certificates are available. Any damage to your property caused during such instance of burglary or attempted burglary.
- Coverage against accidental bodily injury to or death, disease or illness of any person other than an employee or accidental loss of or damage to material property not belonging to you as a result of food and beverages supplied by you during the wedding.

What's not covered:

- Any cancellations due to expected seasonal rains, storms etc
- Any cancellation due to disputes between bride, groom, family, friends etc
- Losses arising out of sale or supply of goods other than food and non- alcoholic drink during the wedding
- Loss or theft from unattended venues or vehicles
- Suicide, attempted suicide or self-inflicted injury or illness
- Loss of money in the insured premises where such money is stored other than in a safe or strong room
- Loss of money from an unattended vehicle

Claim process

Wedding insurance policies work on the principle of indemnity. The insured will be paid the actual loss suffered subject to a maximum of the sum insured. When making a claim policyholder will have to submit all bills and vouchers for proof of expense (also a FIR copy in case of a burglary). The claim process starts with the insured intimating them about the loss and then sending an independent surveyor to the loss site for survey. And after this, as the insured submits the documents required by the surveyor, the surveyor sends the survey report to the insurance company and the claim is processed for settlement.

Objectives of the study:

Wedding is an auspicious event, which carries high emotions, feelings, aspirations, tradition, and above all, it is a beginning of a new era in the couple's life. And no beginning should have hiccups. Whether the wedding budget is Rs. 20 lakh or Rs. 2 crore or Rs. 20 crore, the importance of insuring the event should be paramount. Wedding insurance originated in England in the late 1980s and spread to the United States in the early 1990s. It gradually entered the Indian market in 2000s. With all the big budgets and destination wedding, wedding insurance is gradually getting popular in India. Today wedding insurance is being done only for big budget weddings despite the obvious advantages and the security that such insurance offers, not many people opt for it. In fact, a random poll by ET Wealth among wedding planners in Mumbai revealed that none of the clients had ever opted for a wedding insurance. Some consultants didn't even know about the product. Insurance companies claim that the maximum numbers of policies are taken by wedding consultants or clients who approach them.

No major research work has been done in the area of wedding insurance until now. The present study is first of its kind in the area of wedding insurance. With this backdrop the main objectives of the study are:

- To study the reasons why the wedding insurance has not become popular and very successful
- To study the measures needed to make the wedding insurance scheme popular.

Methodology:

In order to achieve the predetermined objectives the study relied on primary and secondary sources of data. For the purpose of primary data, a structured questionnaire was designed and administered to 120 respondents located in the twin cities of Hyderabad and Secunderabad. Out of 120 questionnaires distributed and interviewed 106 questionnaires were returned and 14 questionnaires were eliminated as it was incomplete. Thus the overall response rate was 88.33% which was considered as satisfactory for further analyses. Selection of the customers was based on convenience sampling. Questionnaire was divided into two parts: part-1 and part-11. Part-1 included demographic profile about the respondents and part-11 has questions about reasons why wedding insurance has not been successful and measures needed to make the wedding insurance scheme successful. After the data was collected it was organized and analyzed. Data was analyzed by using descriptive statistics. Simple statistical tools like percentages and mean

were used in order to analyze the above data. Secondary source of data in the form of published information available from various books, journals and reports were referred.

Profile of the Respondents

Table 1: Demographic Profile of the Respondents

Variables	Categories	No. of Respondents	%
Gender	Male	61	58
	Female	45	42
Age	Up to 25 years	19	18
	26 to 50 years	37	35
	51 years and above	50	47
Income	Below Rs.2,00,000	13	12
	Above Rs.2,00,000 to Rs.4,00,000	25	24
	Above Rs.4,00,000 to Rs.6,00,000	22	21
	Above Rs.6,00,000 to Rs.8,00,000	19	18
	Rs.8,00,000 and above	27	25
Educational Qualifications	Less than UG	19	18
	UG	65	61
	PG	22	21
Occupation	Employee	40	38
	Self employed	24	23
	Retired	14	13
	Home maker	12	11
	Student	16	15
Awareness about wedding insurance	Yes	28	26
	No	78	74
No. of marriages that took place	0	19	18
	1	60	57
	2	27	25
Money spent on marriages	<Rs.10,00,000	06	06
	Rs.10,00,000-Rs.25,00,000	22	21
	>Rs.25,00,000	58	55
Ever taken a wedding insurance	Yes	0	0
	No	106	100

Source: Questionnaire Administered

For the study proposed, the respondents selected on the basis of their gender, age, economic status & occupation. Detailed questionnaires have been administered from the respondents. Totally hundred and six respondents have been interviewed and collected data from them. Of the total respondents, 58% were male and the rest 42% were female. Indian system is patriarchal where major decisions are taken by senior male member of the family. Hence, more male respondents have been chosen. More respondents of aged above 51 years have been preferred since this group will perform the marriage of their scions in near future. Five categories of income groups have been identified to study the views of varied people with different economic backdrop.

Among the respondents, majority are graduates. In the occupation segment, largest chunk of respondents are in employment, followed by self-employment. The positive note is of the total 42% female respondents; only 11% are home-makers and the rest are income-earners or pursuing education.

74% of the respondents informed that they have not ever heard of wedding insurance. Astonishing fact is none of the respondents (marriages took place in the houses of 82% of them) has taken wedding insurance. Though there were many varied income groups, majority of the respondents, in whose house marriages took place recently, have spent more than Rs.25.00 lakh towards marriage expenses.

Table 2: Reasons why wedding insurance has not been successful

	No of respondents	%
Lack of awareness	78	74
Returns not lucrative enough	54	51
No proper promotion	99	93
Not affordable	68	64
Not approached by any insurance agent	87	82
Any other reason	63	59

Source: Questionnaire Administered

To study the reasons for wedding insurance concept not becoming popular, information of the above factors have been collected from the respondents.

74% of the respondents informed that they have no clue of such insurance scheme. Insurance companies have not taken this scheme into the general public like other schemes. Respondents feel that returns from insurance are not lucrative and are wary and chary of hassles in getting claims from insurance company. 93% of the respondents have reported that the insurance companies have not promoted the scheme may be due to the sentimental values attached to the ceremony. 64% of the respondents are of the view that spending additional income on insurance will be a burden and they cannot afford it. All the respondents with marriages performed in their houses recently have informed that no insurance agent has approached them for insuring wedding expenditure. Among the other reasons cited by the respondents, the notable are – superstitions, sentimental values attached to the ceremony, remote possibility of cancellation of the event etc.

For making the wedding insurance scheme successful and popular, respondents have expressed the measures detailed in Table 3.

Table 3: Measures needed to make the wedding insurance scheme successful

	No of respondents	%
Tie-up arrangements	92	87
Nominal premium	77	73
Wide publicity	66	62
Insurance to cover all the events	82	77
Managing superstition about insurance	63	59

Source: Questionnaire Administered

87% of the respondents have felt that the insurance companies need to make tie-up arrangements with wedding planners, event managers, function hall owners, matrimonial service providers etc to push the scheme. When insurance is offered along with the package of other facilities through the above intermediaries, the marriage performers will not a pinch of the expenditure and may opt for it.

As the marriages are fixed after prolonged meetings, discussions, adjustments and agreements between two parties, the chances of their cancellation are remote. Hence, respondents (73%) are of the opinion that the insurance premium should be kept nominal to woo the insurers.

Majority of the public are not aware of the existence of wedding insurance scheme. 62% of the respondents feel that insurance companies have to give wide publicity of the scheme through all promotional media for creating product awareness. This scheme can be popularized by offering higher commission / incentives to the agents till it takes-off.

77% of the respondents opine that the scheme should all the events starting from pre-marriage arrangements to post-marriage celebrations. The events are basically required to cover the expenses related to wedding ceremony, reception, honeymoon, transportation, venue, photography & videography, jewelry, clothing, gifts, food etc.

When the life insurance was pushed, there was resistance and repulsion among the public due to the sentiments and superstitions attached. Over a period of time, thanks to wide publicity given and awareness created by insurance companies, public has started to understand the need and benefits of the scheme. Now, life insurance has become a necessity. In the similar way, 59% of the respondents feel that the insurance companies have to create awareness among the public about the scheme, need for it and its benefits.

Conclusion

In India, marriage is an important occasion and huge sums are spent for the pre-marriage and post-marriage rituals. Life-long savings are spent on the marriage ceremony. Any untoward incident resulting in cancellation of the event causes heavy financial damages to the performers. Insurance companies are offering wedding insurance scheme to hedge the public against such damages. Though the scheme carries many benefits, the response towards it is lukewarm.

This study is focused to analyze the reasons for non-popularization of the scheme. Questionnaires have been administered to 106 respondents belonging to different genders, age and income groups, academic and economic segments and occupational clusters. From the responses, it is concluded that lack of awareness of the scheme and sentimental values attached to the event are the main reasons for the scheme not becoming popular.

It is suggested by the respondents that the product can be taken to the public if the insurance companies adopt certain measures like providing coverage to all kinds of pre and post marriage events, stipulating a nominal premium and giving wide publicity dispelling the belief that insuring wedding expenditure is a bad omen. If the strategic tie-up arrangements are made with wedding planners, event man-

agers, function hall owners and other intermediaries by including insurance premium as a part of the package, the product can be popularized for the benefit of the insurer and the insured.

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